

Much at Stake on CAFTA: Hemisphere's Stability Hangs on Approval

There's a lot to be lost if Congress doesn't approve a Central American free-trade pact. Foremost is U.S. credibility. President Bush strongly favors this trade pact as part of expanded free-trading zones through the hemisphere. But if Congress rejects it, the world could easily conclude that the United States talks one trade game and plays another.

A second casualty is likely to be trade promotion authority, which gives the president the authority to encourage trade agreements around the globe. Getting China to open its markets becomes more difficult.

The greatest and most immediate casualty, however, could be economic and political stability in Central America. With leftist-leaning movements gaining in South America, a CAFTA-DR defeat would put economic reform in Central America on life support.

This week is critical for the prospects of CAFTA-DR, which proposes to unite the Dominican Republic, Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica in a single trading bloc with the United States, much as NAFTA has done for the United States, Canada and Mexico.

Congressional committees will begin writing legislation to implement the agreement. Mr. Bush wants lawmakers to approve the measure as quickly as possible, perhaps even before the July 4 recess.

It's a tight deadline, and in a trip through Dallas last week, White House counselor Dan Bartlett conceded that the pending vote, like most trade votes in Washington, will be very close.

In recent months, opponents of the trade deal have stoked protectionist fears in Congress. Lobbyists representing sugar interests, textile companies, environmental groups and organized labor have criticized the pact's environmental rules and the potential loss of U.S. jobs. Few Democrats support the measure, and some Republicans either are undecided or bowing to protectionist tendencies.

If CAFTA-DR doesn't pass, American global economic leadership suffers badly. Protectionist barriers return. Living standards in Central America suffer, and illegal immigration to the north worsens.

CAFTA-DR is more than just another trade pact. It's a line in the sand for economic reform and stability in this hemisphere.

UNDER CAFTA

- U.S. farm exports would rise \$1.5 billion a year.
- Texas would gain 16,000 jobs and \$4.3 billion in additional economic activity over several years.
- U.S. companies gradually would be able to ship goods tariff-free to the region.